

The Washington State
Vehicle Industry
NEWS BULLETIN

Department of Licensing

October 2014

Introduction *by Lewis Dennie*



Welcome to the fall edition of our newsletter.

A number of bills from the 2014 legislative session are now in effect. I want to draw special attention to the license plate replacement bill that is effective January 1, 2015. This affects every vehicle you sell that has license plates. We have an article discussing the impact on dealers and the status of implementation.

Other items of interest include:

- Documentary service fee (Now permanent, despite what some have heard)
- Vessel dealers trust account
- E-permitting revisit
- Information to include when renewing your dealer license
- WATV metal tags
- Temporary sub agencies

We've added a section to this newsletter showing on-line resources for vehicle industry businesses. This is one way we can provide the resources you need to conduct your business in compliance with regulations. This is part of improving our web presence to provide more of what you, our customers, need at your convenience.

If you have any questions or wish to communicate with us about these articles or other issues impacting the vehicle industry and your business, please email me at ldennie@dol.wa.gov

Kind regards,

Lewis

E-Permitting Tips and FAQs

E-Permitting and Getting Started

Did you know that per RCW 46.16A.300 as of July 1, 2011 all temporary permits issued by licensed vehicle dealers must be generated and printed using the secure E-Permitting system?

The E-Permitting system has several benefits for Dealers and various state agencies:

- The system automates the dealer temporary permit process by allowing Washington-licensed vehicle dealers to issue, revoke, and or reprint permits.
- Law enforcement agencies can use E-Permitting to look up temporary permits that have been issued and check the legitimacy of any permit they see in use.

- The system also allows dealers to view the following reports online:
 - Monthly statistics
 - E-permit log
 - Salesperson transactions
 - Reprinted E-Permits
 - Paper permit log

You may purchase electronic vehicle dealer temporary permits, or E-Permits, through your vehicle and vessel licensing and titling agent or subagent for the same \$15 fee as paper permits. Instead of printed forms, you'll get a receipt that shows the E-Permit numbers assigned to your dealership. The E-Permitting system will use these numbers when you issue E-Permits.

Be aware that if you issue hard-copy paper permits, you must enter the information from the hard-copy permit into the E-Permitting system within 24 hours of issuance or hardware/software resolution, or within 24 hours of returning to the office if the hard copy was issued off-site.

To sign up for the E-Permitting Secure site, access Getting Started E-Permitting for Vehicle Dealers at <http://www.dol.wa.gov/business/vehiclevesseldealer/epermitstart.html>

For assistance you can find the information on our website [here](#)

E-Permitting FAQ's

Q: Why can't I get my e-permit to print?

A: Typically this is due to the pop-up blocker stopping the pdf from opening. These simple steps should help with this problem:

- In Internet Explorer select tools from the menu bar (F10 will bring up the menu bar)
- Scroll down to pop-up blocker, click "turn off Pop-up blocker" and exit out.
- You should now be able to reprint the e-permit.

Q: Why am I getting an "unexpected system error" message at the very end of the process when I click print?

A: Some VIN numbers cause this error. You will need to start the process over. When you are at the part in the process where you have entered the VIN number, instead of hitting search and having the information auto filled in, you will need to click continue and manually enter the information. You should then be able to continue to the end and print the permit.

Q: Why am I getting an error message that says my browser is not compatible?

A: Various updates from Internet Explorer and the Secure Access Website sometimes will cause the two systems to give a compatibility error. The following will fix this problem:

- In Internet Explorer select tools from the menu bar.
- Scroll down to compatibility view settings
- Enter wa.gov in the "add this website" box
- Click apply and it will populate wa.gov in the larger box below
- Exit the tools menu and log in to Secure Access

Q: After purchasing credits why does my account say I have zero e-permits available?

A: Logging out of Secure Access and logging back in will reset the system and you should now be able to view the correct amount of credits you have on your account.

Q: How do I add or remove users from my e-permit account?

A: Use the e-permit modification form to make changes to your e-permit account. All changes must be signed for by a user manager. This link will take you directly to the form: <http://www.dol.wa.gov/forms/430031.pdf>

Reminder

Documentary Service Fee

A dealer can charge a Negotiable Documentary Service Fee to recover administrative costs for collecting motor vehicle excise taxes, licensing and registration fees and other agency fees providing other administrative and documentary services resulting from sales transactions. The \$150 Documentary Service Fee was due to expire on June 30 2014 and revert back to a maximum of \$50 that could be charged by a licensed dealer. Senate Bill 6055 during the 2011-2012 legislative session permanently established this fee at up to \$150. Please refer to RCW 46.70.180 (2) for a detailed listing of legal rules that must be adhered to when charging this fee.

Vessel Dealer Trust Account Provisions

A vessel dealer is only required to maintain one trust account for on-deposit funds or negotiable instruments received from retail purchasers of vessels which have not been delivered.

It cannot accrue interest. To be deposited are funds in excess of \$1,000 or any funds to be held for more than fourteen (14) days.

The vessel dealer may withdraw funds prior to delivery upon written agreement with the purchaser.

Q: Should a vessel dealer's trust account be labeled as a trust account? Is it okay to merely be labeled as a savings account?

A: It must be labeled and opened by the bank as a "Trust Account".

Q: Does the use of an interest-bearing savings account constitute a co-mingling of assets?

A: Yes

Q: Who is entitled to the interest generated by an interest-bearing savings account?

A: An interest bearing account is NOT to be used for this purpose.

Other News

Temporary Subagency Limit

Q: Does the temporary subagency limit of six (6) per year apply to the primary business license or to the primary business and each subagency (permanent)?

A: Each license, primary and subagency, may obtain up to six (6) temporary subagency licenses per 12 month rolling period. Further, each license type, such as a motor vehicle, miscellaneous, and mobile home/travel trailer, may have multiple temporary subagency licenses. Please see example below:

Dealer Primary-	Mobile home/Travel trailer license	(6)
	Motor Vehicle license	(6)
		2x6=12

Dealer Subagency A-	Mobile home/Travel trailer license	(6)
	Motor Vehicle license	(6)
		2x6=12

Total 12x2=24

Q: How many of the six (6) temporary subagency licenses may be utilized for a single dealer offsite show?

A: A dealer can have a total of **six** (6) temporary subagency licenses, per license, per 12 month period.

Note: if you are an RV dealer, the following rules apply:

Q: How many of the six (6) temporary subagency licenses may be used for a single dealer offsite show?

A: A dealer can have a total of **six** (6) temporary subagency licenses, per license, per 12 month period. However, only 2 of those six can be used for RV Dealer events where there are 3 or fewer participating dealers. The Dealer Temporary Subagency Application specifically asks for a **number** of dealers participating in the event.

RCW 46.70.340

(3) Notwithstanding other provisions of this chapter, no more than two temporary subagency licenses may be issued to a recreational vehicle dealer engaged in offering new or new and used recreational vehicles for sale for events with three or fewer recreational vehicle dealers participating, and no more than six temporary subagency licenses may be issued to a recreational vehicle dealer in any twelve-month period for events including four or more recreational vehicle dealers.

RCW 46.70.011

(15) "Temporary subagency" means a location other than the principal place of business or subagency within the state where a licensed vehicle dealer may secure a license to conduct the business and is licensed for a period of time not to exceed ten days for a specific purpose such as auto shows, shopping center promotions, tent sales, exhibitions, or similar merchandising ventures. No more than six temporary subagency licenses may be issued to a licensee in any twelve-month period.

Vehicle Dealer License Renewal Process

For timely renewal of your license, please remember to complete these two items on your renewal application:

- Be sure to enter your vehicle sales counts
- Make sure to answer the question regarding “ have you been found guilty of a gross misdemeanor or felony within the last 10 years”

When these questions on the renewal application are left blank, a letter will be sent to you from Business Licensing Services. This will delay processing of your renewal application.

What's New

Form Update

Affidavit of Loss / Release of Interest Form: This form has been simplified and made easier to understand and use by omitting separate sections for reporting:

- Affidavit of Loss
- Release of Interest

Or

- Gross Weight License

With the new form, there are checkboxes for each of these items and one section for the necessary signatures. Also, where the previous form had two separate notarization sections, there is only one notarization section. You can find the new form [here](#), however you may continue to use the old version of this form.

New Legislation Affecting Your Industry

2nd ESSB 5785 – Replacement of license plates



For vehicle registrations due on and after January 1, 2015, Dealers will be required to apply for a new set of license plates for each vehicle sold to a retail customer and registered in Washington. This will be required even if the vehicle has current Washington license plates. There will be a \$5 increase for registering vehicles and \$12 for each certificate of title transaction, charged by County Auditor offices and DOL.

You will be replacing a lot more plates when you sell vehicles. Here's how to dispose of your replaced plates:

- Deface the year tab;

- We suggest having a storage bin at your dealership to store the plates;
- When the storage bin is full, either send it to a scrap metal recycler, or
- Arrange for a local scrap metal supplier to pick up the plates from your place of business.

This change also affects the [RTA excise tax](#) amount you charge on used vehicles you sell. Any remaining RTA paid by the previous owner of the vehicle is now credited to the new owner you just sold that vehicle to. DOL will be updating our on-line [RTA tax calculator](#) to assist you in determining the tax credit amount.

Metal tags for ATVs: A new law changed how 4-wheeled and utility-type ATVs are licensed. All wheeled all-terrain vehicle (WATVs) that meet the definition below must display a metal tag.

Visit a vehicle licensing office to get a WATV permit issued. WATV owners won't get the metal tag at that time. It will be mailed to from our headquarters in Olympia. Depending upon the demand, metal tags may be mailed within 2 weeks.

WATV owners are required to:

- Affix the metal tag to the rear of the WATV.
- Keep the ORV decal on the WATV for law enforcement purposes.
- Sign the registration and carry it when operating the WATV.

Definition of wheeled all-terrain vehicles that need a metal tag

These are considered wheeled all-terrain vehicles, and must have a metal tag:

- **A motorized, non-highway vehicle with handle bars:**
- That is 50 inches or less in width.
- Have a seat height of at least 20 inches.
- Weighs less than 1,500 pounds.
- Has 4 tires with diameters of 30 inches or less.

Or

- **A utility-type vehicle** designed for, and capable of, travel over designated roads that:
- Has 4 or more low-pressure tires of 20 psi or less.
- Is less than 74 inches wide.
- Weighs less than 2,000 pounds.
- Has a wheelbase of 110 inches or less.
- Meets 1 or more of the following:
- Is at least 50 inches wide.
- Weighs at least 900 pounds.
- Has a wheelbase of over 61 inches

You can find more details of what's required for these vehicles [here](#), including the role of dealers and repair shops for inspecting them.

WAC 458-20-17802: Collection of use tax by county auditors, etc.

This WAC is being updated to increase the Fair Market Value threshold from \$3000 to \$5000. This increase will be effective January 12, 2014. This Fair Market Value or "FMV" threshold will apply mostly to private party sales.

Online Resources

If selling **only used vehicles**, submit a **Certificate of Dealer Education** as proof you completed at least 5 hours of training. To get this certificate, contact an [education provider](#).

Regulatory Activity

Disciplinary Activity (Disciplinary actions are also available on the Department's website with more detailed information.)

May 2014 thru September 2014:

Name	Finding	Action
Daniel I. Klassen	Unlicensed dealer activity	Default Cease & Desist; \$8,000 fine.
Road Rescue Towing	Towing violations	\$1,750 fine
Affordable Auto Sales	Failure to maintain temp permit log	\$2,500 fine
Paul Bolin, dba All Truck Parts & Sales	Unlicensed dealer activity	Cease & Desist; \$5,000 fine, stayed if no further violations.
Roy Lee Partsch	Unlicensed Wrecker Activity	Default Cease & Desist; \$5,000 fine.
Joseph Michael Morris	Unlicensed dealer activity	Default Cease & Desist; \$11,000 fine.
Northwest Auto Recycling	Hulk Hauler violations	Default order; \$2000 fine.
Golden Homes of Poulsbo	Manufactured Home Dealer violations	Agreed Order; 2 year revocation of license
Raymond Pepper	Unlicensed dealer activity	Agreed Order to Cease & Desist; \$10,000 fine which is stayed pending no further violations for one year
405 Motors	Titling violations	Agreed Order; \$1,000 fine; \$200 stayed for 1 year pending no further violations.
Jeffrey D. Collins	Unlicensed dealer activity	Agreed Order to Cease & Desist; \$6,000 fine which is stayed pending no further violations for one year.
Miller Ristick	Unlicensed dealer activity	Default Order to Cease & Desist; \$10,000 fine.
A to B Auto	Hulk Hauler violations	Agreed Order; \$2,000 fine of which \$1,900 is stayed pending no further violations for one year.
Kristi Donette Croskey	Unlicensed dealer activity	Agreed Order to Cease & Desist; \$5,000 fine; \$4,900 is stayed pending no further violations for one year.
Berk's Towing	Towing violations	Agreed Order; \$5,000 fine; \$3,500 is stayed.
Golden Pheasant Towing	Towing violations	Default Order; \$1,000 fine.
June Marie Cottrell	Unlicensed Wrecker Activity	Agreed Order to Cease & Desist; \$12,000 fine of which \$11,900 is stayed pending no further violations for one year.
Russ Dean Family RV	Late title transfers	Agreed Order; \$2,000 fine.

Ali K. Mahmood	Unlicensed dealer activity	Default Order to Cease & Desist; \$5,000 fine.
Jacob Pierce Long	Unlicensed dealer activity	Agreed Order to Cease & Desist; \$7,000 fine which is stayed pending no further violations for one year.
Ernie Basilio Murillo	Unlicensed dealer activity	Default Order to Cease & Desist; \$10,000 fine.
Thomas George Lemka	Unlicensed wrecker activity	Agreed Order to Cease & Desist; \$14,000 fine which is stayed pending no further violations for one year.
Paulson's Towing	Towing violations	Agreed Order; \$2,000 fine which is stayed pending no further violations for 1 year.
Best Auto Parts	Violation of RCW's 46.70.090(7)(b), 46.70.140, 46.70.090(3)(b), and WAC 308-66-160(6)	Default Order; \$500 fine.
Sno-Isle Towing	Towing violations	Agreed order; \$3,000 fine of which \$2750 is stayed pending no further violations for one year.
Perry Lee Woods	Unlicensed dealer activity	Agreed Order to Cease & Desist; \$7,000 fine of which \$5,000 is stayed pending no further violations for one year.
Juan Jose Mendoza	Unlicensed dealer activity	Agreed Order; \$5,000 fine of which \$4,750 is stayed pending no further violations for one year.
Robert Mielke	Unlicensed dealer activity	Agreed Order; \$7,000 fine of which \$7,000 is stayed pending no further violations for one year.
BJ's Towing	Towing violations	Agreed Order; \$4,000 fine of which \$3,500 is stayed pending no further violations for one year.
Import Auto Sales	Violation of WAC 308-66-152(4)(e)(h)(i)	Agreed Order; \$500 fine of which \$200 is stayed pending no further violations for one year.
Budget Towing	Towing violations	Agreed Order; \$2,250 fine of which \$1,250 is stayed pending no further violations for one year.
International Auto	Selling retail while licensed as a wholesale dealer only	Default Order; \$2,000 fine.
Lev Arturovich Arakelyan	Unlicensed wrecker activity	Agreed Order; \$5,000 fine of which \$1,500 is stayed pending no further violations.
Marlon Brando Cox	Unlicensed dealer activity	Agreed Order to Cease & Desist; \$7,000 fine of which \$5,000 is stayed pending no further violations for one year.
Curbside Motors	Violation of RCW 46.70.180(4)(a) Bushing	Agreed Order; \$500 fine, of which \$250 is stayed pending no further violations for one year.

If you have questions or comments or there are topics or issues you'd like addressed in the next edition of the Vehicle Industry Newsletter? Please email hgraham@dol.wa.gov

Lewis Dennie
Administrator

Jack Hills
Investigations Mgr

Kathe McDaniel
Licensing/Legal Svcs Mgr

Heidi Graham
Administrator's Asst.
dealers@dol.wa.gov

Sirena Walters
Administrative Assist.
dealers@dol.wa.gov

Jennifer Freudenthal
Licensing/Legal Svcs Asst.
dealers@dol.wa.gov

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